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METROPOLITAN SCHOOL DISTRICT)
OF WABASH COUNTY, INDIANA,)
)
Appellant-Plaintiff,)
)
vs.) No. 85A05-0709-CV-539
)
METROPOLITAN SCHOOL DISTRICT)
OF WABASH COUNTY EDUCATION)
ASSOCIATION,)
)
Appellee-Defendant.)

March 7, 2008

BAILEY, Judge

Case Summary

The Metropolitan School District of Wabash County (“the School Corporation”) appeals a grant of summary judgment entered in favor of the Metropolitan School District of Wabash County Education Association (“the Association”) upon the School Corporation’s challenge to an arbitration award. We reverse.

Issue

The School Corporation presents two issues for review, which we consolidate and restate as a single issue: whether the Arbitrator exceeded his powers in resolving a contract dispute between the School Corporation and the Association.

Facts and Procedural History

Prior to the 2005-2006 school year, a high school teacher within the School Corporation resigned. In order to fill that position, the School Corporation approved a voluntary transfer of a sixth grade teacher from LaFontaine Elementary School to the high school. At the same time, the School Corporation determined that it had one too many teachers at Sharp Creek Elementary School. Jennifer Baumgartner (“Baumgartner”) was transferred from her third-grade class at Sharp Creek Elementary to fill the vacated sixth grade teaching position at LaFontaine Elementary School. Baumgartner subsequently filed a grievance with the School Corporation.

After the School Corporation denied Baumgartner’s grievance, the Association sought arbitration of the issue of whether the involuntary transfer violated the March 24, 2005 contract between the parties (“the Contract”). On July 21, 2006, the Arbitrator issued his decision finding that the School Corporation had violated the Contract. The Arbitrator

ordered that Baumgartner be reassigned to her third-grade classroom before the beginning of the 2006-2007 school year.

On July 28, 2006, the School Corporation filed its “Application to Vacate Arbitration Award” in the Wabash Circuit Court. The parties filed cross-motions for summary judgment. On July 30, 2007, the trial court, upon concluding that the Arbitrator did not exceed his powers, entered summary judgment in favor of the Association and against the School Corporation. The School Corporation appeals.

Discussion and Decision

Pursuant to Rule 56(C) of the Indiana Rules of Trial Procedure, summary judgment is appropriate when there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. On review of a trial court’s grant or denial of summary judgment, this Court applies the same standard as the trial court. Best Homes, Inc. v. Rainwater, 714 N.E.2d 702, 705 (Ind. Ct. App. 1999).

Indiana’s Uniform Arbitration Act, Indiana Code Section 34-57-2-1 et seq., provides a mechanism for enforcing agreements to arbitrate and for securing judicial review and enforcement of arbitration awards. Sch. City of East Chicago, Ind. v. East Chicago Fed’n of Teachers, Local No. 511, A.F.T., 622 N.E.2d 166, 168 (Ind. 1993). Judicial review of an arbitration award is extremely narrow in scope, and an award should be set aside only when one of the grounds specified by the Uniform Arbitration Act for vacation of the award is shown. Id. A party who seeks to vacate an arbitration award under the Act bears the burden of proving the grounds to set aside the award. Id.

A trial court may vacate an arbitration award where: “the arbitrators exceeded their powers and the award cannot be corrected without affecting the merits of the decision upon the controversy submitted.” Ind. Code § 34-57-2-13(a)(3). The statutory provision does not attempt to limit the discretion and powers of the arbitrator; rather, the parties to a contract are free to define for themselves what questions may be arbitrated, remedies the arbitrator may afford, and the extent to which a decision must conform to the general principles of law. Bopp v. Brames, 677 N.E.2d 629, 632 (Ind. Ct. App. 1997). An arbitrator is limited by the bounds of the agreement from which he or she draws authority, and an arbitrator is expected to be aware of those limits. Id.

Here, Section 4 of the Contract, entitled “Powers of Arbitrator,” provided that the Arbitrator was empowered to make a final and binding decision “except as his/her powers are limited below” and such limitations provided in relevant part:

- A. He/She shall have no power to add to, subtract from, disregard, alter or modify any of the terms of this Agreement, its salary schedules and appendices, nor to consider matters outside the scope of the grievance and its attachments.
- B. When applicable, he/she shall be bound by relevant Indiana statutes, regulations and court decisions.
- C. He/She shall have no power to rule on the termination of services or failure to employ or re-employ or assign any teacher to a position on an extended contract.
- D. He/She shall have no power to change any practice, policy, rule or decision of the School Corporation nor to substitute his/her judgment for that of the School Corporation as to the reasonableness of any such practice, policy, rule, or any action taken by the School Corporation, unless he/she specifically finds such practice, policy, rule, or action to be in direct conflict with this Agreement or board policy.

(App. 54.) In determining whether the involuntary transfer violated the Contract, the Arbitrator had the authority to interpret the Contract provisions as written but not to

supplement or amend the terms. If the Arbitrator acted within his authority, the trial court could not set aside the Arbitrator's decision and summary judgment upholding the award is appropriate. When an award is attacked on grounds that an arbitrator exceeded his or her powers through erroneous interpretation of a contract, the reviewing court determines whether the arbitrator's construction of the contract is a reasonably possible one that can seriously be made in the context in which the contract was formed. Marion Comty Sch. Corp. v. Marion Teachers Ass'n., 873 N.E.2d 605, 609 (Ind. Ct. App. 2007).

The Arbitrator was asked to determine whether Baumgartner's involuntary transfer violated Article XVII, Section 2 of the Contract. This Article governs lay-offs and recalls, and provides in relevant part:

Section 1. General Principles.

- A. It is recognized that it is within the discretion of the Board to adjust or reduce the educational program, curriculum, and staff.
- B. This Article as well as the Articles concerning Hearing Due Process apply to all teachers on regular contract whose employment would have otherwise been continued, except for the reduction in teaching staff.

...

Section 2. Layoff.

A. Creating the Vacancy

- 1. The school corporation will identify the teaching areas to be reduced and the actual position to be eliminated.
- 2. The school corporation will list the least senior teachers in the teaching subject areas to be reduced and furnish the Association with a copy of such list.
- 3. The school corporation, in its judgment of the best interests of the school corporation, may make involuntary transfers to create the appropriate staffing patterns.
- 4. If a teacher is identified for an involuntary transfer and that teacher is not holding the actual position to be eliminated, that teacher may refuse the involuntary reduction transfer if he/she has five (5) years of seniority in this corporation and/or has not taught in the area for five (5) years to which the new assignment is being made.

(App. 11-12.) The Arbitrator found that Baumgartner “fit all of the requirements of the language [of Article XVII, Section 2A(4)]” and that the transfer was arbitrary “when other options were available that would have been more efficient and equitable[.]” (App. 26-27.)

Article XVII is the sole provision of the Contract addressing the involuntary transfer of a teacher. The Layoff/Recall provision sets forth the procedures to be implemented when there is a reduction in teaching staff resulting in the termination of a teacher’s employment. It applies “to all teachers on regular contract whose employment would have otherwise been continued, except for the reduction in teaching staff.” (App. 49.) (emphasis added.) Here, no teacher was terminated because of a reduction in teaching staff.

The parties do not dispute the facts underlying Baumgartner’s involuntary transfer. The Association does not contend that layoffs occurred or were about to occur. Moreover, the Association’s representative conceded that the Contract did not specifically address involuntary transfers in circumstances where no teacher lost his or her employment to layoff. Essentially, the Arbitrator expanded the seniority privilege of teachers subject to involuntary transfer because of layoff into a seniority privilege of teachers subject to involuntary transfer in other circumstances. However, he was prohibited from adding to the terms of the Contract even where equity might suggest such an outcome. Nothing in the Contract prohibited the School Corporation from transferring teachers without regard to seniority so long as no teacher lost or would lose employment. Accordingly, the Arbitrator’s construction of the Contract so as to find a violation by the School Corporation is not a reasonably possible one.

The School Corporation has met its burden to show that the Arbitrator's decision should be vacated.¹

The School Corporation, rather than the Association, is entitled to summary judgment.

Reversed.

NAJAM, J., and CRONE, J., concur.

¹ There is no controversy between the parties regarding the second prong of Indiana Code Section 34-57-2-13(a)(3), i.e., "the award can not be corrected without affecting the merits of the decision upon the controversy submitted."